



Stanford eCorner

How to Access Investors

Mark Suster, *Serial Entrepreneur*

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Video URL: <http://ecorner.stanford.edu/videos/2528/How-to-Access-Investors>

Venture capitalist and entrepreneur Mark Suster shares insights on how startups can connect with investors. He explains the best method is to access investors through other entrepreneurs. Suster speaks to the need for a startup to find their first anchor investor, whose presence can often cause additional funding sources to come forward.



Transcript

The best way to get access is other entrepreneurs. It's pretty easy in a social networking world to figure out how to get access to me and if you can't, that probably is a defining way of figuring out whether or not you're a real entrepreneur. It's pretty easy in this era. So how do you get our money? The first thing you need is an anchor investor. Most investors, no secret, no prices for guessing this, are not willing to take a risk and put their name on a deal and say I want to do this. At least early stage investors, they're looking for other people so you need to get an anchor investor. There are two strategies for doing this. Number one, invite them to be an adviser, get to know them, work with them as an adviser. If they get excited about you, sometimes they'll get our their checkbook. Number two, people don't like to talk about this but I always say no matter how rich you are, you want a deal.

So if you could say to someone I'm planning to raise at 2.5 pre, I'd like to invite you in at 1 pre to work with me first. Getting that first person on board really matters, and everybody else sort of follows. The industry, unfortunately, the way it works is there's a lot of sheep.